

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-10 ISO-00 SP-02 USIA-06

AID-05 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01

INT-05 CIAE-00 COME-00 FRB-03 INR-10 NSAE-00

XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-01 DODE-00

PA-01 IO-13 HA-05 /134 W

-----010730 161854Z /41

P R 161745Z MAR 78

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 9904

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY KUALO LUMPUR

AMEMBASSY JAKARTA

AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS: EMIN, BL

SUBJECT: CONTINUED BOLIVIAN PROTESTS AGAINST US TIN SALES POLICY

1. SUMMARY. BOLIVIAN PRESIDENTIAL CANDIDATE JUAN PEREDA STRONGLY CRITICIZED THE US DECISION TO SELL GSA TIN AT A PROTEST RALLY ON MARCH 15 IN LA PAZ, ATTENDED BY ABOUT 6,000 PEOPLE. PEREDA SAID THE US DECISION CONSTITUTED FLAGRANT AGGRESSION AGAINST BOLIVIA AND HE HIT HARD AT THOSE WHO SAY THEY SUPPORT HUMAN RIGHTS, BUT TAKE ECONOMIC ACTIONS WHICH DO GREAT HARM TO THE POOR PEOPLE OF THE WORLD. PEREDA CALLED FOR A NEWLECONOMIC ORDER AND EXHORTED THE BOLIVIAN PEOPLE TO FIGHT FOR LIBERTY AND ANTI-IMPERIALISM. PEREDA'S CAMPAIGN DIRECTOR EDWIN TAPIA GAVE AN EQUALLY EMOTIONAL SPEECH, SAYING THAT THE US ACTION, COMING IN THE MIDST OF THE ELECTION CAMPAIGN, CONSTITUTED A SETBACK TO BOLIVIA'S EFFORTS TO RETURN TO DEMOCRACY SINCE THE ECONOMY IS A VITAL ASPECT OF ANTIONAL POLITICS AND THE ECONOMIC DAMAGE

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CAUSED BY THE US ACTION WILL MAKE AN ALREADY DIFFICULT PROCESS EVEN MORE PERILOUS. PEREDA AND TAPIA ASSERTED THAT BOLIVIA WOULD NEVERTHELESS OVERCOME THIS SETBACK AND CONTINUE TO PROCEED TOWARDS ELECTIONS AND RETURN TO DEMOCRATIC GOVERNMENT. MEANWHILE, THE BOLIVIAN PRESS CONTINUED TO ATTACH THE US ACTION, MAINLY ON THE THEME OF A BREACH BETWEEN US HUMAN RIGHTS PRO- NOUNCEMENTS AND THE REAL EFFECTS OF TIS ECONOMIC ACTIONS.

THE EMBASSY UNDERSTANDS THAT A POLITICAL FRONT SUPPORTING FORMER PRESIDENT HERNAN SILES ZUAZO WILL TRY TO ORGANIZE ANOTHER PROTEST RALLY AGAINST THE US TIN ANNOUNCEMENT NEXT WEEK. THE FRONT, ON THE VERGE OF BEING ANNOUNCED, WILL REPUTEDLY INCLUDE THE MIR, THE COMMUNIST PARTY (MOSCOW-LINE), AND THE SOCIALIST PARTY. END SUMMARY.

2. THE DEMONSTRATION, ORGANIZED BY PEREDA'S PARTY OF NATIONAL UNITY, WAS ATTENDED BY ABOUT 6,000 PEOPLE. BANKING AND PUBLIC EMPLOYEES WERE GIVEN THE AFTERNOON OFF BUT NOT REQUIRED TO ATTEND THE RALLY. AFTER THE SPEECHES THE CROWD WAS ASKED BY PEREDA TO DISPERSE PEACEFULLY, WHICH IT DID. THERE WAS NO ATTEMPTED MARCH ON THE EMBASSY. THERE WAS A SECONDARY REGROUPING IN SMALL NUMBERS AT THE UNIVERSITY BUT NO DISTURBANCES.

3. PRESS REPORTS OF THURSDAY MORNING, MARCH 16 GAVE EXTENSIVE COVERAGE TO THE UNP ORGANIZED RALLY AND TO DECLARATIONS BY MINISTER OF FINANCE DAVID BLANCO THAT IF THE PRICE OF TIN FELL BELOW *5.00 PER POUND IT WOULD CAUSE GRAVE PROBLEMS FOR THE NATIONAL ECONOMY. EL DIARIO PRINTED A FRONTPAGE FEATURE ARTICLE ON BOLIVIAN OAS AMBASSADOR ORTIZ SANZ' CHARGE BEFORE THE POLITICAL COUNCIL OF THE OAS THAT US SALE OF 50,000 LT OF TIN (SIC) WOULD CAUSE A FALL IN TIN PRICES AND CONSTITUTED ECONOMIC AGGRESSION AGAINST BOLIVIA. THE ARTICLE QUOTED US REPRESENTATIVE MCGEE AS SAYING THE USG WAS CONSULTING WITH PRESIDENT BANZER TO DIMINISH THE IMPACT OF GSA TIN SALES.
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4. THE PRESS ON MARCH 15 EMPHASIZED A STATEMENT BY MINISTER OF MINES ERNESTO CAMACHO THAT IF THE US SOLD TIN THE PRICE WOULD FALL AND DRIVE SOME PRODUCERS OUT OF PRODUCTION CAUSING A FURTHER REDUCTION IN FREE WORLD TIN OUTPUT. EL DIARIO PUBLISHED AN EDITORIAL PAGE ARTICLE BY A LEADING BOLIVIAN INTELLECTUAL, FERNANDO DIEZ DE MEDINA (POLITICAL COLUMNIST, AUTHOR AND FORMER CABINET MEMBER) ENTITLED "THE FICKLENESS OF MISTER CARTER". THE AUTHOR SAID HE WAS A DEMOCRAT AND ADMIRER OF THE US AND HAD WRITTEN AN ARTICLE SEVERAL MONTHS AGO PRAISING THE US BUT NOW HE REGRETTED HAVING WRITTEN IT. HE CRITICIZED THE CARTER ADMINISTRATION FOR SERIOUS HUMAN RIGHTS VIOLATIONS IN THE ECONOMIC SPHERE. THE US IS NOT A FRIEND OF BOLIVIA, HE DECLARED. CARTER PROTESTS THE HUMAN RIGHTS VIOLATIONS OF A FEW POLITICAL PRISONERS IN CENTRAL AND SOUTH AMERICA BUT WHEN IT COMES TO THE WELFARE OF FIVE MILLION BOLIVIANS HE NOT ONLY FORGETS HUMAN RIGHTS BUT LETS LOOSE WITH ECONOMIC AGGRESSION FAVORING THE CONSUMERS (THE STRONG) AGAINST THE PRODUCERS (THE WEAK). DIEZ DE MEDINA CRITICIZED CARTER'S ECONOMIC ADVISORS AND SAID BOLIVIA HAD A RIGHT TO DECLAR CARTER AN ENEMY OF BOLIVIA. HE ENDED BY SAYING ARMED AGGRESSION AND ECONOMIC AGGRESSION ARE THE SAME AND MR. CARTER SHOULD TAKE LESSONS IN POLITICS AND FRIENDSHIP.

(THIS ARTICLE IS SUMMARIZED AT SOME LENGTH BECAUSE IT GIVES THE SENSE, ALBEIT IN SOMEWHAT EXAGGERATED FORM, OF PRESS COMMENTARY AND PRIVATE OPINIONS GIVEN TO EMBASSY OFFICERS BY BOLIVIANS IN THE PAST WEEK.)

5. OTHER OFF-THE-FRONT-PAGE ARTICLES HAVE DEALT WITH THE ILL EFFECTS OF THE SUPPOSED US SALE OF ANTIMONY AND BISMUTH (SEE REFTTEL) AND THE RECEIPT BY THE US CONGRESS OF THE UDALL DECONCINI BILL (BASED ON USIS PRESS RELEASE). AN EDITORIAL IN HOY TITLED "DECLARATIONS OF THE AMERICAN AMBASSADOR" STATED THAT THE PRESS CONFERENCE OF AMBASSADOR BOEKER CALLED TO EXPLAIN AND JUSTIFY US TIN SALES POLICY DID NOT CONVINCE ANYONE. HE FAILED TO MENTION THAT BOLIVIA SOLD TIN TO THE US DURING WORLD WAR II AT LOW PRICES TO HELP THE ALLIED LIMITED OFFICIAL USE

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CAUSE AND TODAY THE US SELLS TIN TO HELP THE CONSUMERS (THE RICH).

6. THE EMBASSY HAS HEARD FROM SEVERAL SOURCES THAT THE MNRI OF FORMER PRESIDENT HERNAN SILES ZUAZO INTENDS TO ORGANIZE A PROTEST RALLY AGAINST THE US ACTION, TENTATIVELY ON MARCH 23. THE MNRI SPOKESMAN, LUIS PELAEZ, TOLD EMBASSY OFFICERS THAT SILES WILL ANNOUNCE SHORTLY THE FORMATION OF A COALITION FRONT WITH THE MIR (REVOLUTIONARY LEFTIST MOVEMENT), THE COMMUNIST PARTY MOSCOW LINE AND THE SOCIALIST PARTY. WHETHER THIS GROUPING CAN ORGANIZE MORE THAN A TOKEN DEMONSTRATION REMAINS TO BE SEEN, BUT THE US ACTION HAS GIVEN THESE DISPARATE ELEMENTS AN INCENTIVE TO MOVE QUICKLY TO UNITS AND AN ISSUE TO USE. HERETOFORE, THE MNRI'S ORGANIZATIONAL CAPABILITY HAS BEEN UNIMPRESSIVE.

7. COMMENT: THE US CONTINUES TO TAKE A STRONG BEATING IN THE BOLIVIAN PRESS BECAUSE OF OUR ANNOUNCED TIN SALES POLICY. IT NOW APPEARS THAT DUE TO THE ENORMOUS PUBLICITY GIVEN THE ISSUE SO FAR THAT THE GOB MAY FEEL COMPELLED TO INSIST ON VERY LIMITED OR NO GSA SALES AT THE APRIL ITC MEETING OR PERHAPS SEEK A PRICE LEVEL GUARANTEE.
BOEKER

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